

April 28, 2005

Supplementary Information:

Financial Statements for the First Quarter ended March 31, 2005 (Consolidated)



Lion Corporation

The forecasts and projected operating results contained in this report are based on information available at the time of preparation, and thus involve inherent risks and uncertainties. Accordingly, readers are cautioned that actual results may differ materially from those projected as a result of a variety of factors.

Note: Figures are rounded to the digits that are displayed.

Results of Operations for the First Quarter ended March 31, 2005 (Consolidated)



(Unit: ¥million)

	Q1 Fiscal 2005 (Jan-Mar 2005)	Q1 Fiscal 2004 (Jan-Mar 2004)	Change	YoY (%)
Net sales	65,561	63,016	2,545	104.0
Cost of sales	31,945	30,961	984	103.2
Gross profit	33,616	32,055	1,561	104.9
Selling, general and administrative expenses	36,480	34,458	2,022	105.9
Operating income	(2,864)	(2,403)	(461)	-
Non-operating income	706	454	252	155.5
Non-operating expenses	91	162	(71)	56.2
Ordinary income	(2,248)	(2,111)	(137)	-
Extraordinary gains	161	52	109	309.6
Extraordinary losses	98	463	(365)	21.2
Net income before income taxes	(2,186)	(2,522)	336	-
Income taxes	(936)	(1,244)	308	-
Minority interests in earnings of consolidated subsidiaries (subtraction)	120	106	14	-
Net income	(1,370)	(1,385)	15	-

Qualitative Information Concerning Consolidated Results for the First Quarter Ended March 31, 2005

1. Net Sales: ¥ 65,561 million (YoY 104.0%)

With respect to first quarter net sales in the Home Products business, a strong performance was turned in by the new Shokubutsu-Monogatari Herb Blend brand, but heightened competition persisted for toothpastes, laundry detergents, and dishwashing detergents. This led to results in Japan that fell short of the same period last year, but by adding new business in South Korea, net sales for this segment overall were equivalent to the first quarter of the previous year.

The pharmaceutical products business added health tonic drinks, insecticides, and other products to its line, and the chemicals business saw buoyant sales of fatty-acid methylester and carotene, which led to both segments surpassing the first quarter of the previous year.

2. Operating Loss: ¥2,864 million (Operating Loss of Q1 2004: ¥2,403 million)

Despite Lion worked to reduce manufacturing costs and rationalized expenditures on sales promotions in Japan, it posted an operating loss. This was due to the fact that contribution of first-quarter sales to full-year results is low because demand for Lion's mainstay products is weak during this time of year, and also it ramped up investment in marketing in ASEAN countries as well as in the newly acquired over-the-counter (OTC) pharmaceutical business and the businesses in South Korea.

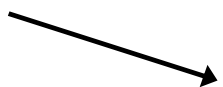

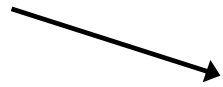

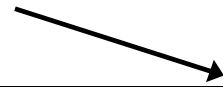


Actual Results by Business Segment (Consolidated)

(unit: ¥million)

	Net sales				Operating income			
	Q1 Fiscal 2005	Q1 Fiscal 2004	Change	YoY (%)	Q1 Fiscal 2005	Q1 Fiscal 2004	Change	YoY (%)
Home products	46,035	46,038	(2)	100.0	(1,148)	(96)	(1,051)	-
Pharmaceutical products	9,176	5,827	3,349	157.5	98	(302)	400	-
Chemicals	8,488	7,702	785	110.2	361	344	17	105.0
Other	1,860	3,448	(1,587)	54.0	64	(189)	254	-
Corporate and eliminations	(-)	(-)	-	-	(2,240)	(2,158)	(82)	-
Consolidated total	65,561	63,016	2,545	104.0	(2,864)	(2,403)	(460)	-

Core Business Divisions in Domestic Home Products

2005 Q1 year-on-year comparison

Business Divisions/Products		Market (%)			Lion	
		Amount	Volume	Unit price	Amount	Average share for Q1
Oral Care Products	Toothpastes	105	104	101		
	Toothbrushes	102	103	98		
Beauty Care Products	Body washes	101	102	99		
	Liquid hand soaps	105	101	105		
Household Products	Laundry detergents	96	100	96		
	Fabric softeners	101	106	95		
	Dishwashing detergents	104	101	103		
49 markets entered by Lion		103	103	100		

Sales ratio (YoY): 105% or more 100 ~ 104% 95 ~ 99% 90 ~ 94% less than 90%

Fiscal 2004 Financial Forecast (Consolidated)



(Unit: ¥million)

	Fiscal 2005 Result and Forecast	
	Q1 Results	Full Year Forecast
Net sales % of year ago	65,561 104.0	340,000 109.8
Operating income % of sales	(2,864) -	7,000 2.1
Ordinary income % of sales	(2,248) -	9,500 2.8
Net income % of sales	(1,370) -	5,500 1.6

Note: There are no changes to the results forecasts for the full term announced on February 7, 2005.

from Good Morning to Good Night

More Dreams for Your Life

LION